

**Title:** Benefit Redemption

**Purpose**

The Montana WIC Program is required to reconcile all benefits issued and identify the disposition of each as to unredeemed, redeemed, lost or stolen, expired, duplicate, voided or not matching issuance records.

**Authority**

7 CFR 246.12 and 13; the Montana Retailer Memorandum of Understanding

**Policy**

Montana WIC has an established plan for the financial management and oversight of issuance and redemption of WIC benefits. The Montana WIC Program contracts with a financial institution independent of Montana government for processing benefits.

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**I. Accepting Benefits**

- A. Check that the dates on the WIC benefits are valid. Do not accept WIC benefits before the "First Day of Use" or after the "Last Day to Use." Record the date of redemption in the date box.
- B. Retail staff totals the WIC foods purchased, checking that the foods are specified on the WIC benefit and on the Approved Food List. Ask the WIC participant about missing foods before entering a dollar amount on the WIC benefit. The actual purchase price of the foods is then written by the clerk in the "Amount of Sale" box.
- C. Once the WIC benefit is correctly completed, the retailer has the participant sign the WIC benefit in the signature box. The signature is then compared to the signature on the ID page of the participant program booklet.
- D. Before deposit the retailer stamps the benefit with their WIC identification stamp number.
- E. Retailers have 30 days to deposit WIC benefits to their bank, once it has been accepted at the store. In the event that a benefit is returned from the bank for error, the retailer has an additional 30 days to submit the benefit for state approval and re-deposit. This results in a total of 60 days after the "First Day to Use" for a retailer to process and receive payment for their WIC benefits.

**II. Store Sales, Specials and Coupons**

- A. The retailer must make sale prices available to WIC participants when they are making a WIC purchase.
- B. If a store "club card" is required for a special promotion and the WIC participant has such a card, the retailer must allow the participant to take advantage of the promotion.
  - 1. Participants are not required to join any "club card" or other program, but must be allowed to take advantage of the programs if they are members. To not allow such participation or the use of sale prices or promotions is a form of participant discrimination, and a violation of the WIC Retailer MOU.

- C. The WIC participant will give store “club card” to the store cashier at the time the WIC benefits are redeemed.
- D. If a retailer accepts coupons, they must allow the WIC participant to voluntarily use coupons to reduce the “Actual \$ Amount of Sale” for the WIC purchase.
- E. The cashier will ensure the prices charged include any store sale or other promotion, or the value of the coupons is deducted from the transaction total.
- F. The WIC participant may receive the Buy-One-Get-One item or free ounces
- G. Stores may not offer incentives such as free items, prizes or discounts solely to WIC participants.

**III. WIC Benefits Go Over “Not to Exceed” Amount**

- A. WIC benefits rejected by the WIC bank for “over max price” must be submitted to the state office with either a copy of the receipt or the electronic journal transaction. State staff will review these documents to determine why the price was excessive. Redemption amounts will be adjusted accordingly.
- B. The retailer may NOT ask or demand the participant to pay the difference of benefits not fully reimbursed by the Montana WIC Program.
- C. Fruit and vegetable benefits may not be redeemed for an amount over the price printed in the description.

**IV. Authorized Prices**

- A. Prices authorized for the WIC benefits are based on the price surveys submitted by the authorized WIC retailers and benefit redemption data.
- B. Average prices are calculated by peer group.
- C. Retailers are to notify the Montana WIC Program whenever a sudden increase in price affects the calculated maximum value. Prices will be verified by State staff and compared to the retailers peer group. If necessary, a re-calculation will be done, and a new price entered for the specific food item(s).

**V. Reconciliation of WIC Benefits**

- A. A current retailer data base is sent to the bank when changes are made.
- B. The daily transactions are sent to the bank. This information includes the numbers and maximum value for benefits issued by the local clinics during the day, benefits voided by the local clinics during the day and new retailer payment transactions approved by the State WIC Agency.
- C. Upon receipt of this information, assuming the benefit passes all validations, the bank will pay the benefit.

**VI. Handling Bank- Rejected Benefits**

- A. WIC Benefits may be rejected by the WIC bank for number of reasons.
  - 1. No/Illegible Retailer Stamp
  - 2. Invalid Retailer Number/Inactive Retailer
  - 3. Missing Signature
  - 4. Early Cashing
  - 5. Late cashing
  - 6. Over Max Price
  - 7. Purchase Price Missing/Illegible
  - 8. Altered \$ Amount
  - 9. Not on Issued File

- 10. Voided WIC benefit
- 11. Second Presentment
- 12. Other

- B. Benefits stamped with “Over Max \$,” “Altered \$ Amount” must be sent to the State WIC office for approval before resubmission to the bank. A copy of the transaction or the electronic journal entry must accompany the benefit. The benefit will be compared to the transaction for accuracy and approved or adjusted accordingly. Retailers without this ability will have items compared to the most recent price survey.
- C. Benefits rejected for “Missing Vendor Stamp” or “Illegible Vendor Stamp” can be corrected by the retailer and resubmitted to the WIC bank.
- D. When the bank completes a payment, rejection or adjustment transaction, a record is written to an output file and it is sent to the State Host machine to update the WIC system with the bank activity on a nightly basis.
- E. A monthly close-out is reported on the FNS-798 (Monthly Financial and Program Status Report). The information for any closed out month includes whether or not every issued WIC benefit has been redeemed, expired, voided, or payment has been stopped.
- F. Records in support of the FNS-798 are maintained in the State WIC Office.

**VII. Current Banking Contract**

- A. Banking Services: Solutran, 451 Lakeview St., Lake Lillian, MN 56253.

**VII. New Banking Contracts**

**A. Bank Contract**

- 1. The Montana WIC Program will start to review and plan for a new banking contract one year before the current contract expires. This allows time to determine what changes need to be made to the contract, have the new contractor selected, and print a new order of WIC benefits, ready for distribution before the contract starts.

**B. Sealed Bid Process**

- 1. The contract will be a sealed bid process, opened to all banking institutions. The term of the contract is a minimum of three years, with three one-year extensions, based on the mutual approval of the WIC Program and the contractor.